



Department of Justice

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**LAND-O-SUN DAIRIES ENTERS PLEA AGREEMENT AND PAYS \$3.5 MILLION
IN FINES FOR BID RIGGING ON SCHOOL DAIRY PRODUCTS CONTRACTS**

WASHINGTON, D.C. -- The Department of Justice announced today that Land-O-Sun Dairies Inc. has agreed to plead guilty and pay \$3.5 million in fines as part of a regionwide plea agreement to settle antitrust charges it rigged bids on school dairy products contracts.

Charles A. James, Acting Assistant Attorney General in charge of the Antitrust Division, said today's guilty plea involved one of four criminal cases included in the overall plea agreement.

Land-O-Sun pleaded guilty to a one-count felony information filed in U.S. District Court in Columbia, South Carolina, that charged it with an antitrust violation for participating in a dairy products bid rigging conspiracy involving South Carolina public schools.

The information charged Land-O-Sun, a Delaware corporation headquartered in Johnson City, Tennessee, with conspiring to rig bids submitted to certain school districts in South Carolina for the award and performance of contracts to supply dairy products to public schools in various school districts in the state.

(MORE)

The information charged that Land-O-Sun's participation in the conspiracy was from 1985 through August 1988.

In addition to the criminal information filed today, the Division filed a case charging Land-O-Sun with participating in a conspiracy to rig the bids for the award and performance of contracts to supply dairy products to public schools in North Carolina from 1985 through August 1989. That case was filed September 1, 1992, in U.S. District Court in Greensboro, North Carolina.

Another criminal information, charging Land-O-Sun with participating in a separate conspiracy to rig the bids for the award and performance of contracts to supply dairy products to public schools in Virginia from 1985 through August 1987 will be filed in U.S. District Court in Norfolk, Virginia, September 15, 1992.

The fourth case, charging Land-O-Sun with participating in a separate conspiracy to rig the bids for the award and performance of contracts to supply dairy products to public schools in Georgia from 1985 through June 1988, will be filed in U.S. District Court in Atlanta, Georgia, September 17, 1992.

James said the company has agreed to plead guilty to all charges and to pay fines totalling \$3.5 million: \$750,000 in Georgia; \$1 million in North Carolina; \$1 million in South Carolina; and \$750,000 in Virginia.

(MORE)

James said the charges arose in connection with grand jury investigations into collusive practices by dairy products suppliers in South Carolina, Georgia, North Carolina, and Virginia.

James said the South Carolina and Georgia investigations are being conducted by the Division's Atlanta field office, and the Virginia and North Carolina investigations are being conducted by the Division's Litigation I Section in Washington, D.C. The offices of the Federal Bureau of Investigation in North Carolina and Virginia are assisting in the investigations. All four investigations are continuing.

Land-O-Sun does business in Alabama, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Virginia and West Virginia.

The maximum penalty for a corporation for each Sherman Act offense occurring prior to November 16, 1990 is a fine that is the greatest of \$1 million, twice the gross pecuniary gain derived from the crime or twice the gross pecuniary loss caused to the victims of the crime.

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